

Binani

BINANI INDUSTRIES LIMITED

Registered Office: 706, Om Tower, 32, Chowringhee Road, Kolkata 700 071

Corporate Office: Mercantile Chambers, 12 J.N.Heredia Marg, Ballard Estate, Mumbai 400 001

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 30TH JUNE, 2005

Particulars	Rs. Lakhs			Segment Reporting	Rs. Lakhs		
	Quarter ended 30.06.2005	Quarter ended 30.06.2004	Year ended 31.03.2005 (Audited)		Quarter ended 30.06.2005	Quarter ended 30.06.2004	Year ended 31.03.2005 (Audited)
1 Gross Sales	19	719	1,251	1) <u>Segment Revenue</u>			
Less Excise Duty on sales	-	-	3	a) Merchant Export of Glass Fibre	-	704	1,188
Net Sales	19	719	1,248	b) Others	19	15	60
2 Other Income	4	3	25	Net Sales	19	719	1,248
3 Expenditure				2) <u>Segment Result</u>			
a) (Increase)/decrease in stock in trade	1	(43)	4	<u>(Profit/(Loss) before interest and tax)</u>			
b) Consumption of raw materials	18	702	1,061	a) Merchant Export of Glass Fibre	-	30	35
c) Staff Cost	5	19	33	b) Others	(11)	(55)	(45)
d) Other manufacturing expenses	2	4	14	Total	(11)	(25)	(10)
e) Other expenditure	33	130	364	Less : (i) Interest	613	1,126	3,304
Total Expenditure	59	812	1476	(ii) Other un-allocable expenditure net off unallocable income	52	94	309
4 Operating (Loss)/Profit before Interest and Depreciation (1+2-3)	(36)	(90)	(203)	Loss before extra ordinary item & Tax	(676)	(1,245)	(3,623)
5 Interest & Financial charges (Net)	(613)	(1,126)	(3304)	3) <u>Capital Employed</u>			
6 Gross Loss after interest but before Depreciation & Taxation (4+5)	(649)	(1216)	(3507)	a) Merchant Export of Glass Fibre	-	223	-
7 Depreciation	(27)	(29)	(116)	b) Others	645	662	657
8 Loss before extra ordinary item & Tax (6+7)	(676)	(1245)	(3623)	Total	645	885	657
9 Advances to subsidiary written off	-	-	(866)	Add : Unallocated corporate assets (net (mainly relate to investments.))	18,489	40,533	18,911
10 Provision for Taxation				Total Capital Employed in the company	19,134	41,418	19,568
a) Current Tax	-	-	-				
b) Deferred Tax	-	-	-				
c) Tax of earlier year written back	-	-	2				
11 Net Loss after extra ordinary item & Tax (8+9+10)	(676)	(1245)	(4487)				
12 Paid up Equity Share Capital (Face Value per share Rs.10/-)	2962	2962	2,962				
13 Reserves (excluding Revaluation Reserves)			20535				
14 <u>Earnings per share</u>							
-Basic (not annualised)(Rs)	(2.28)	(4.21)	(15.16)				
-Diluted (not annualised)(Rs)	(2.28)	(4.21)	(15.16)				

Notes:

1 Figures for the previous period are not comparable as term loans (including funded interest term loans) from Financial Institutions for Rs.15809 lakhs & Rs. 3595 lakhs were transferred to the subsidiaries w.e.f. 1st October 2004 and 31st March 2005 respectively as per debt restructuring approved by the Financial Institutions.

2 Since the export obligation of the company under EPCG scheme was fulfilled, the company had discontinued merchant exports of glass fibre from September 2004.

3 The company has appointed M/s N.M. Rajji & Co. to prepare the Valuation Report to consider swap of the shares of the company with that of Binani Cement Limited and/or Binani Zinc Limited.

4 As per the unaudited financial results for the quarter ended 30th June 2005, Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited, BT Composites Limited and ESS VEE Alloys Pvt. Ltd., subsidiaries of the Company, have posted profit / (loss) before tax of Rs. 1023 lakhs, Rs. 56 lakhs, (Rs. 117 lakhs), (Rs. 48 lakhs) & Rs. 1 lakh respectively.

Binani Cement Limited has drawn up plans to expand its Cement capacity from 2.2 ml tpa to 4.5 ml tpa at its existing site at Binanigram, Pindwara, Rajasthan which is expected to go into commercial production during 1st Quarter, 2007.

Binani Zinc's smelter at Kochi had to suspend operations temporarily from end of June 2005 due to non availability of its raw material i.e. Zinc Concentrate. Efforts are on to locate and procure quality concentrate, although market continues to be very tight.

5 The Company has an investment of Rs. 979 lakhs in the Equity Shares and Preference Shares in and has given advances of Rs. 792 lakhs to BT Composites Limited (BTCL), a wholly owned subsidiary of the Company, which has accumulated losses of Rs. 1533 lakhs as on 31.03.2005. BTCL is registered with BIFR as a sick company and a rehabilitation scheme is under preparation for submission with BIFR. Further, BTCL has been negotiating with the lender for granting substantial relief by way of one time settlement of its outstanding dues. To make the unit financially viable, the company has drawn up plans, which would lead to improvement in capacity utilisation and market share.

In view of the above factors and having regard to the long term nature of the investment, management is of the view that there is no diminution in the value which is other than temporary.

- 6 Against the Income Tax demand relating to past several years amounting to Rs. 6985 lakhs (Previous year Rs. 6985 lakhs) the company has received a favourable order from the CIT (A) allowing the appeal except for certain disallowance resulting in a demand of Rs. 126 lakhs only against which appeal has been filed before ITAT. Income Tax Liability of Rs.135 lakhs on account of interest u/s 234B & 234C on MAT liability has not been provided, since appeal is pending before the Hon'ble High Court at Calcutta.
- 7 The debit balance of Profit & Loss Account of Rs. 9681 lakhs as on 31.03.2005 has not been considered for adjustment against the Reserves of Rs. 20535 lakhs as on that date since the same are not free reserves.
- 8 There was 1 investor complaint pending at the beginning of the quarter, which was resolved. During the quarter, the Company received 34 complaints from investors, out of which 33 complaints were disposed off, leaving 1 complaint unresolved at the end of the quarter.
- 9 The above results have been reviewed by the Audit Committee at their meeting held on 11th July, 2005 and were taken on record and approved by the Board of Directors at its meeting held on 12th July, 2005.
- 10 The statutory auditors have conducted limited review of the above results as required by clause 41 of the listing agreement.
- 11 Figures of the previous quarter have been regrouped/ recast as necessary.

By order of the Board
For BINANI INDUSTRIES LIMITED

BRAJ BINANI
CHAIRMAN

Place : Mumbai
Date : 12th July, 2005